

DECEMBER 13, 2011 – TENTATIVE NOTES TAKEN BY THE SEVIER SCHOOL DISTRICT BOARD OF EDUCATION AT A WORK SESSION HELD ON DECEMBER 13, 2011, AT 12:00 PM IN THE SEVIER SCHOOL DISTRICT OFFICE.

In attendance were President Clint Johnson, Vice President Jack Hansen, members Tom Hales, Don Naser, and Richard Orr, as were Superintendent Myron Mickelsen, Assistant Superintendent Gail Albrecht, Business Administrator Patrick D. Wilson, and Executive Secretary Patricia Sanchez. Mr. Hansen arrived to the meeting at 12:15 p.m. and Mr. Orr arrived at 12:40 p.m.

Also in attendance were Rick Roberts from Kimball & Roberts Accounting Firm, District Accountant Kari Carter, Student Learning Director Cade Douglas, and Transportation/Technology Director DeLoss Christensen.

President Johnson welcomed everyone to the meeting.

ITEM #4. – OTHER. This item was moved up on the agenda. Mr. Wilson explained that in the November Board meeting, there was a discussion in regards to the right-of-way change to the warehouse. The District received the Utah Department of Education (UDOT) relinquishment access agreement and the agreement for change of access. He briefly reviewed the two documents and asked for approval to proceed. The Board indicated that they would be okay with Mr. Wilson to proceed with the UDOT agreements. No official action was taken and a voted would be required in the regular board meeting.

INSERTS A & B

ITEMS #1, #2, & #3 – FY 2011 AUDIT REPORT, USOE ANNUAL PROGRAM REPORT, AND USOE ANNUAL FINANCIAL REPORT. Rick Roberts of the Kimball and Roberts Accounting Firm began by thanking the District for the opportunity to conduct the audit. He referred the group to the Excellence in Financial Reporting, which has been awarded to the District for the past 20 consecutive years and stated that it was an honor to receive this recognition. He explained that the independent auditor's report is the basis for the audit to be able to render an opinion, in which the District received a clean opinion. He explained that they confirmed 93.6 percent of the total revenues. Most of the revenues come from state and federal funds; property taxes are also confirmed. During the audit, programs are tested extensively. A single audit is required whenever \$500,000 or more of federal money is expended in a single program area.

Mr. Wilson and President Johnson expressed appreciation to the Kimball and Roberts Accounting Firm and for the good work they perform in auditing the District.

Accountant Kari Carter reviewed the USOE Annual Financial and Program Reports, which is the District's financial data by fund.

Mr. Wilson stated that all audit information could be found on the District's website. He also expressed appreciation to Kari Carter for her hard work, accuracy, and dependability in completing the audit. He also thanked other District office employees for their contributions to the audit.

Mr. Wilson began in the introductory section of the audit and the letter of transmittal. He explained that this report is the District's financial statement; it is prepared by the District and

all of the information that goes into it, is also generated by the District. The auditor's responsibility is to verify or assure that the District is doing a good job in reconciling and safeguarding its assets. He commented that the letter of transmittal, the management discussion and analysis, the notes to the financial statement, and the statistical section have a lot of valuable information. This gives the District an opportunity to tell its readers what the District is or what it isn't. It is a report of the facts on the local economy, residential construction, wage information, etc.

Mr. Wilson further explained that 84 percent of the educational process of every day student funding comes from the state and federal government. The District is paying the local debt and capital facilities. For every 16 cents that the taxpayer puts in, the state and federal government are putting in about 84 cents. This is a good return on our dollar. Our local valley is a good generator of economics because the District is putting in a significant greater amount of revenue into our valley than we are generating from our taxpayers. Coming into 2010-11, Sevier County looked okay job wise; however, more jobs were lost in 2011. There was a small loss in farm jobs, about 40. There was hope that it was bottoming out but jobs went down a little further. Unemployment in Sevier County jumped to 8.3 percent; the rest of the state was an average of 7.1, and the federal was 9.1. Sevier District is very similar to its surrounding areas. Another trend is construction, which was up in overall permits by ten percent in 2011 over 2010. New construction values are still 50 percent lower than five years ago. The assessed valuation went up because of Wolverine Oil; they went up high enough to offset everything else that went down. Wolverine Oil is continuing to grow and the hope is they will continue to drill in Sevier County. The highest paying wages in the county are mining, professional, industry, government, and education. Mr. Wilson then reviewed the management's discussion and analysis section of the audit. He also reviewed several of the pages within the statistical section where a ten-year history is presented and discussed trends involving the District and their demographics, economics, and general statistics.

Copies of the FY 2011 audit and the USOE financial and program reports are contained in the December 13, 2011, regular meeting minutes.

The meeting adjourned at 1:50 p.m.

I certify that upon motion duly made, seconded and passed, the Board of Education of the Sevier School District approved the foregoing minutes on the 18th day of January 2012. I further certify that a quorum of the Board was present on both the day covered by these minutes and the day of approval.

Patrick Wilson, Business Administrator